



CONGRESSMAN CURT WELDON

7th District Pennsylvania



March 5, 1997

**STATEMENT OF HONORABLE CURT WELDON
CHAIRMAN, RESEARCH & DEVELOPMENT SUBCOMMITTEE**

**JOINT SESSION OF THE RESEARCH & DEVELOPMENT AND PROCUREMENT
SUBCOMMITTEES**

TACTICAL AVIATION HEARING

March 5, 1997

This afternoon we will hold a joint hearing of the R&D and Procurement Subcommittees to examine the Department of Defense plans to modernize their Air Force, Navy, and Marine tactical fighter and attack aircraft fleets. I want to emphasize the fact that this is a joint hearing and that my good friend, Duncan Hunter, and I plan to share the chair in these joint hearings. I look forward to working with the Chairman of the Procurement Subcommittee and his ranking member and good friend, Ike Skelton, and all the rest of my colleagues on the Procurement Subcommittee.

The focus of this afternoon's hearing will be to examine the affordability of DOD plans to procure the Air Force F-22 air superiority fighter, the Navy F/A-18E/F multi-mission fighter and attack aircraft, and the new Joint Strike Fighter (JSF).

Last summer, Chairman Hunter and I held the first joint hearing of our two subcommittees to review this issue. That was apparently the first major congressional hearing to focus on the F-22, F/A-18 E/F, and Joint Strike Fighter (JSF), in the aggregate. In fact, prior to the hearing, the Department did not even consider the JSF a major DOD acquisition program in the FY97 budget request.

It was only when I was made aware that the JSF program as planned would cost more than \$219 billion (even higher when adjusted for inflation), that the JSF was finally reported to the Congress as a major acquisition program. What we discovered during last summer's hearing was that the schedules for these three programs, as approved by DOD, will result in a huge bow wave of annual costs and annual aircraft production numbers during the years when these programs are all in full-rate production.

Another fact not previously revealed to Congress was that the total program cost of these three planes as estimated by CBO would be over \$350B.

As a result of last summer's findings, I requested a thorough CBO study of these three next-generation aircraft based on the most current DOD program schedules. The findings of this study, just completed and released on February 13, 1997, confirm that during the fiscal years 2008 through 2014, the DOD approved F-22, F/A-18E/F, and JSF programs are currently scheduling production rates which reach combined totals of 230 planes per year, with as many as 256 planes during peak years. CBO estimates indicate that these huge production rates could cost as much as \$14B to \$18B per year (before increases for inflation).

In order to put these enormous numbers into perspective with today's modest procurement budgets, \$14B to \$18B per year for three new fighter aircraft programs during any of the past three fiscal year defense budget requests, including this year's FY 98 request, would have consumed approximately 33% to 46% of the entire Department of Defense procurement request.

In contrast, the last three defense budget requests have contained the following:

- The FY 96 request included procurement of 12 new F/A-18C/D fighter aircraft and four remanufactured AV-8B Harriers costing a total of \$757 million, or 2% of procurement.
- The FY 97 request contained the first 12 F/A-18E/Fs, four F-15Es, four F-16s and 10 remanufactured AV-8Bs for a total cost of \$2.4 billion, or 6% of procurement.
- Fighter aircraft production in this year's FY 98 request includes 20 F/A-18E/Fs, three F-15Es, and 11 AV-8Bs totaling 34 aircraft with combined procurement costs of \$2.5 billion. This amounts to only 6% of the FY 98 procurement budget, with the 20 new F/A-18E/Fs accounting for \$2.1 billion of that total.

The unrealistic program costs and schedules for these three aircraft programs are even greater cause for concern when combined with the fact that Congress has been forced to take steps to correct severely underfunded modernization programs in FY 96 and FY 97, and now faces a similarly underfunded FY 98 request. Although the Department has been urged, year after year, to adequately fund modernization programs to maintain our military's capabilities, it is now apparent, as exemplified in these three aircraft programs, that the "procurement holiday" the Administration has enjoyed has created a bow wave situation for follow-on administrations that is already out of control.

Although it is extremely difficult to conceive of any defense budget in the future that is likely to be able to afford projected annual program costs and annual production schedules of this magnitude in any one area of modernization, the FY 98 President's budget request asks Congress to once again continue funding all three of these programs at a pace that appears to exceed even the most optimistic of projected modernization budgets.

It is hoped that the Department plans to look closely at this potentially disastrous bow wave problem during the Quadrennial Defense Review, but the Department currently appears to be going to great lengths and at the expense of other needed modernization efforts in order to keep these programs on their approved schedules, even when those schedules may in fact be leading toward an unaffordable modernization requirements in future years.

We welcome the witnesses for today's hearing, and I note that with one exception, they were the very same principal witnesses who came before us in last summer's joint session on this same important issue. We have with us today:

Dr. Paul Kaminski
Undersecretary of Defense for Acquisition and Technology
Department of Defense

General Joe Ralston
Vice Chairman, Joint Chiefs of Staff
Chairman, Joint Requirements Oversight Council
Department of Defense

Cindy Williams
Assistant Director
National Security Division Congressional Budget Office

Lane Pierrot
Principal Analyst
National Security Division
Congressional Budget Office

Joann Vines
Principal Analyst
National Security Division
Congressional Budget Office

Louis Rodrigues
Director of Defense Acquisitions
General Accounting Office

We will conduct today's hearing by having the witnesses make their opening remarks in a two panel format. Dr. Kaminski and General Ralston will go first, followed by the CBO and GAO witnesses. We will then have all of the principal witnesses return to the witness table to answer questions as one group.

Before turning the floor over to our witnesses, I would like to recognize my good friend and joint session Chairman, Duncan Hunter, for any remarks he would like to make.

I would also like to recognize Mr. Owen Pickett, ranking member of the R&D Subcommittee, and Mr. Ike Skelton, ranking member of the Procurement Subcommittee, for any comments they would like to make.